

March 2, 2009

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On behalf of the City of Norwalk and Norwalk Redevelopment Agency I wish to thank you for the opportunity to provide public comment regarding *Raised Bill Number 996 – An Act Establishing the Connecticut Emergency Economic Investment Commission*. The City of Norwalk acknowledges the importance of the proposed investments in generating employment opportunities and economic activity for residents of Norwalk and the balance of the State of Connecticut. The City is pleased this legislation recognizes the importance of preserving and expanding the State's affordable housing in rebuilding the State's economy. Additionally, the City wishes to offer its support of the municipal and regional block grant concepts as tools for infusing capital into much needed economic development projects.

This morning I wish to focus my comments on those provisions within the Raised Bill 996 that are supportive of affordable housing, specifically the allocation of \$100 million to finance housing construction, rehabilitation and homeownership activities.

As the result of its proximity to the financial center of Manhattan and location within a high cost environment, Norwalk is faced with the daunting challenge of preserving a supply of affordable housing that provides a sufficient labor force to serve local businesses while preserving vibrant, economically diverse neighborhoods.

In 2008, the U.S. Department of Housing and Urban Development calculated the median income of a four-person household within the Stamford-Norwalk Metropolitan Fair Market Rent Area to be \$117,800. While median sales prices in Norwalk reflect the affluence of the region, household incomes are commensurate with its position as a more urban, economically diverse community. According to 2005 federal labor data 56% of individuals within the LMA earn an annual income ranging from \$19,780 to \$40,390. Such incomes do not permit households within this demographic category to afford a single-family household sold in Norwalk at the 2008 median sales price of \$528,000 or condominium sold at \$330,000. Such a discrepancy helps to explain why Norwalk is losing young adults and working professionals aged 18-34 at a greater rate than any other segment of the population.

The City is in a position to address the challenge of affordable housing by continuing to provide financial assistance in the form of loans and grants to housing developers as a tool to encourage the production and integration of affordable housing units into planned rental and owner occupied housing developments in the City of Norwalk. The City and Redevelopment Agency have invested considerable time and resources to plan and design three large, mixed-use projects which will result in the construction of over seven hundred (700) residential units within

Norwalk's urban core. Each project will have a substantial component of affordable housing and each project has received, or is near achieving, the requisite regulatory approvals needed to initiate construction.

However the recent, dramatic downturn in the national economy has starved these projects of necessary debt and equity financing. An infusion of the funding identified in Section 3 of Raised Bill 996 will play a significant role in eliminating this barrier to the completion of these redevelopment activities and thus construction of desperately needed affordable housing.

While support for these large-scale developments is invaluable, the City and Redevelopment Agency wish to advocate for the resources needed to continue Norwalk's existing homeownership and residential rehabilitation activities. These activities are essential to the preservation of the City's existing stock of affordable housing.

Thank you, again, for the opportunity to speak on behalf of Raised Bill 996. The City of Norwalk and Norwalk Redevelopment Agency welcome the proposed investment in affordable housing as a pillar for the revitalization of the State's economy.